

IN CLAIMS

1. (currently amended) A payment system between a customer and a merchant that facilitates a private and secure payment transaction to the merchant comprising:
 - a. a third party central system; a portable wireless communication device that connects to a global computer network; a merchant sales terminal; and a terminal identification tag with a displayed terminal identification; the central system, the portable wireless device and the merchant terminal on a global computer network;
 - b. the central system pre-stores customer bankcard data, merchant terminal identification data, and is interfaced to directly by the wireless device communicating the merchant terminal identification data and a payment amount, the central system uses the terminal identification data to forward a payment authorization notification to the merchant sales terminal thus bypassing the merchant point of sale terminal system from receiving the customer bank card data for a payment transaction, ~~wherein the terminal identification is used by the central system to forward a payment authorization notification to the merchant sales terminal.~~
2. (original) The claim as in 1, wherein the portable wireless device, with an interface means, at time of payment transaction interfaces with a merchant system to receive the merchant display terminal identification and a payment amount.
3. (original) The claim as in 2, wherein the interface is via the portable wireless device having an infrared reading element receiving a wireless transmission of the terminal identification and a payment amount from a merchant system.
4. (original) The claim as in 2, wherein the interface is via the portable wireless device having a reading element reading the terminal identification from the terminal identification tag and a payment amount is entered into it.

5. (original) The claim as in 2, wherein on activating a payment function in the wireless device, a data record including at-least the terminal identification, the payment amount and a portable wireless device identification is transferred over the global network to the central system.
6. (currently amended) The claim as in [[5]] 1, wherein the central system assembles a payment transaction record, including customer pre-stored bank account data, and submits the payment transaction record to an automated clearing house (ACH), and receives a payment authorization record and subsequently the central system sends the payment authorization record to the merchant display terminal using the terminal identification as a uniform resource locator over the global computer network.
- 10
- 15 7. (original) The claim as in 6, the payment transaction record submitted to the ACH identifying a central system business entity bank for receiving payment amount from the ACH.
- 20
- 25 8. (original) The claim as in 7, wherein, the central system having a database relating the merchant terminal identification and a merchant bank account identification submitting a merchant payment record to the ACH for transferring an aggregate amount from a plurality of the payment transactions into a merchant bank account.
9. (original) The claim as in 5, wherein the wireless device identification is a combination of a pre-programmed identification code and a customer entered card personal identification number (CPIN).
- 20
- 30 10. (original) The claim as in 9, wherein the customer having a plurality of pre-stored account data in the central system, the customer entering the CPIN into the wireless device, identifying a specific account data to be used for a payment transaction.

11. (original) The claim as in 10, wherein the CPIN is a combination of personal identification code verifying the customer and an account identification code identifying an account.
- 5 12. (original) The claim as in 1, wherein the wireless device is a personal digital assistant adapted with a wireless modem, a reading element, and a payment function.
13. (original) The claim as in 1, wherein the wireless device is a cellular telephone adapted with a reading element and a payment function.
- 10 14. (original) The claim as in 1, wherein the wireless device is a cellular telephone with a keypad enabling manual entry of the terminal identification and adapted with a payment function.
- 15 15. (currently amended) The claim as in 1[[10]], further comprising: [[wherein]], the central system maintaining a transaction database cataloging each payment transaction by a transaction reference, date, time, an authorization reference, payment amount, customer identification and merchant identification.
- 20 16. (currently amended) The claim as in [[15]] 1, further comprising a merchant refund terminal on the global computer network, wherein the merchant entering into the refund terminal a refund record, including at-least the payment transaction reference from a previous payment transaction, the merchant identification, a refund authorizing password, a refund amount, and sending the refund record to the central system.
- 25 17. (original) The claim as in 16, wherein, the central system receiving and verifying the elements of the refund record data with the transaction database, in particular verifying the refund amount is less than or equal to the payment amount, creating a refund record including the merchant account identification, refund amount and
- 30 submitting to the ACH and receiving an approval, and forwarding that to the refund terminal.

18. (original) The claim as in 17, the refund terminal comprising: a printer capable of printing a refund record.

5 19. (currently amended) The claim as in [[18]] 1, further comprising: a customer interface with the central system enabling it to enter account data, account identification code, personal identification code and enabling it to create a search query to retrieve payment and refund transactions by type of transaction, transaction date, and merchant identification.

10

20. (currently amended) The claim as in [[18]] 1, further comprising: a merchant interface with the central system enabling it to enter merchant identification, merchant account identification, terminal identification and enabling it create a search query to retrieve payment and refund transactions by type of transaction, by date, terminal identification, and transaction reference number.

15